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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

COUNTRY Hungary

SUBJECT Communist Changes and Living Conditions

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1. There has been a good deal of talk in the world press to the effect that the Communists have "altered their political attitude to an astounding degree." The fact is that there has been nothing but a series of alleviations, in conditions previously unendurable. The purpose was to improve the internal political situation. But all this can easily be exaggerated.
2. The assertion that one-third of the members of the state security police have been discharged has no relation to the truth.
3. It is true that the prices of the necessities of life and of textiles have been reduced. It is also true that wages have been slightly increased. However, this improvement went hand in hand with a compulsory contribution of half a month's wages to the state loan.
4. The difficult position of the Hungarian worker may be seen from the following figures: In 1939, an industrial worker of the medium group got, on an average, a monthly wage of 95.25 pengő. On an average he had to spend 25.45 pengő, or roughly 27 percent for food. For all the other necessities of life, he had 75 percent of his wage left. In contrast with such conditions, a Hungarian worker in the summer of 1953 got an average monthly wage of 560 forint. Out of this, he had to spend, on an average, 477.85 forint, or more than 73 percent of his wages on food alone. Out of the remaining 27 percent he had to make a member's Party contribution of one percent, pay union dues of two percent, and pay to the annually renewed state loan, which takes nearly a month's wage.

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5. In spite of the reported changes, the actual feeling of security of people living in Hungary has grown no stronger, though it is true that religion and the church are not so fiercely attacked as previously. It is a striking fact that deportation has been discontinued. Furthermore, the freedom of movement of those already deported is not limited. Those formerly deported cannot, however, settle anywhere without a permit. Numerous deportees from Budapest, when they tried to return there, were refused permission. The internment camps are now being given up. The compulsory laborers who were being used in rebuilding the royal fortress in Budapest, in the building materials factory in Albertfalva, and part of those in the Rakosi Works in Csepel, have been taken away and placed in the mines. Internees who did not come under the terms of the amnesty have been put into the already overcrowded state prisons.

All these reports are based on official Hungarian press reports, and are not based on direct observation. The Hungarian press has reported that the government is in a position to end the war in Hungary in a few days.

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